

XANTUS

Healthplan of Tennessee, Inc.

November 3, 2003

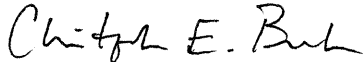
Lisa Jordan
Assistant Commissioner
Department of Commerce and Insurance
TennCare Division
Davy Crockett Tower, Suite 750
500 James Robertson Parkway
Nashville, TN 37243

Dear Lisa:

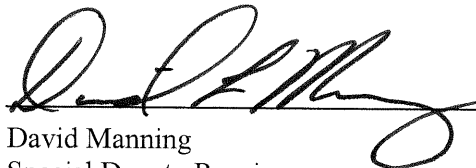
The Rehabilitators of XANTUS Healthplan of Tennessee, Inc. ("XHT") are filing with you the **Second Quarter 2003 Quarterly Statutory Statement**. Included in this filing are amounts that represent prior year's information of XHT. The Rehabilitators cannot attest to, or accept responsibility for, the accuracy of information carried forward from periods prior to April 1, 1999 as filed by XANTUS Corporation.

If you have any questions, or require additional information, please contact Chris Burton at (615) 460-0282.

Sincerely,



Christopher E. Burton
Special Deputy Receiver



David Manning
Special Deputy Receiver

Attachments

QUARTERLY STATEMENT

OF THE

XANTUS Healthplan of Tennessee, Inc.

2003

OF

Nashville

IN THE STATE OF

Tennessee

TO THE

INSURANCE DEPARTMENT

OF THE

STATE OF

AS OF

JUNE 30, 2003



HEALTH QUARTERLY STATEMENT

AS OF JUNE 30, 2003
OF THE CONDITION AND AFFAIRS OF THE

XANTUS Healthplan of Tennessee, Inc.

NAIC Group Code	1239 (Current Period)	1239 (Prior Period)	NAIC Company Code	95465	Employer's ID Number	62-1532191
Organized under the Laws of	Tennessee			State of Domicile or Port of Entry	Tennessee	
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health [] Property/Casualty [] Dental Service Corporation [] Vision Service Corporation [] Other [] Health Maintenance Organization [X] Hospital, Medical & Dental Service or Indemnity [] Is HMO, Federally Qualified? Yes [] No [X]					
Incorporated	05/20/1993		Commenced Business	01/01/1994		
Statutory Home Office	3401 West End Avenue, Suite 470 (Street and Number)			Nashville, TN 37203 (City or Town, State and Zip Code)		
Main Administrative Office	3401 West End Avenue, Suite 470 (Street and Number) Nashville, TN 37203 (City or Town, State and Zip Code)					
				615-298-3666 (Area Code) (Telephone Number)		
Mail Address	3401 West End Avenue, Suite 470 (Street and Number or P.O. Box)			Nashville, TN 37203 (City or Town, State and Zip Code)		
Primary Location of Books and Records	3401 West End Avenue, Suite 470 (Street and Number) Nashville, TN 37203 (City or Town, State and Zip Code)					
				615-298-3666 (Area Code) (Telephone Number)		
Internet Website Address	http://www.xantushealthplan.com					
Statutory Statement Contact	Christopher E. Burton (Name) cburton@xhtmail.com (E-mail Address)			615-298-3666 (Area Code) (Telephone Number) (Extension) 615-279-1280 (FAX Number)		
Policyowner Relations Contact						

OFFICERS

President	Footnotes, Page 12 See General Interrogatories	Secretary	Footnotes, Page 12 See General Interrogatories
Treasurer	Footnotes, Page 12 See General Interrogatories		

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

State ofTennessee..... }
County ofDavidson..... } ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

Christopher E. Burton

Christopher E. Burton
Special Deputy Receiver

David L. Manning
David L. Manning
Special Deputy Receiver

Subscribed and sworn to before me this
31st day of October, 2003

Shelby

Subscribed and sworn to before me this
3 day of Nov., 2003

Charm Bude

1/31/04

My Commission Expires March 26, 2005

ASSETS

	Current Statement Date			4 (b)(c) December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	2,600,000		2,600,000	2,600,000
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks				
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate: (a)				
4.1 Properties occupied by the company (less \$ encumbrances)				
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$12,390,042) and short -term investments (\$63,028)	12,453,070		12,453,070	15,244,791
6. Contract loans, (including \$premium notes)				
7. Other invested assets				
8. Receivable for securities	5,670		5,670	6,615
9. Aggregate write-ins for invested assets				
10. Subtotals, cash and invested assets (Lines 1 to 9)	15,058,740		15,058,740	17,851,406
11. Investment income due and accrued	43,918		43,918	42,948
12. Premiums and considerations:				
12.1 Uncollected premiums and agents' balances in the course of collection ...(m)				28,990,614
12.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$earned but unbilled premiums)				
12.3 Accrued retrospective premiums				
13. Reinsurance:				
13.1 Amounts recoverable from reinsurers				
13.2 Funds held by or deposited with reinsured companies				
13.3 Other amounts receivable under reinsurance contracts				
14. Amounts receivable relating to uninsured plans				
15.1 Current federal and foreign income tax recoverable and interest thereon				
15.2 Net deferred tax asset				
16. Guaranty funds receivable or on deposit				
17. Electronic data processing equipment and software				
18. Furniture and equipment, including health care delivery assets (\$)	111,280	111,280		
19. Net adjustment in assets and liabilities due to foreign exchange rates				
20. Receivables from parent, subsidiaries and affiliates ...(d)(j)				
21. Health care (\$) and other amounts receivable				
22. Other assets nonadmitted				
23. Aggregate write-ins for other than invested assets ...(e)	(16,352)	136,262	(152,614)	3,300,228
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	15,197,585	247,541	14,950,044	50,185,196
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26. Total (Lines 24 and 25)	15,197,585	247,541	14,950,044	50,185,196
DETAILS OF WRITE-INS				
0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. Totals (Lines 0901 thru 0903 plus 0998)(Line 9 above)				
2301. TennCare Amendment 7 Receivable - Operations...(d)(i)	(2,495,443)		(2,495,443)	2,458,714
2302. A/R Pharmacy Rebate	863,086		863,086	841,514
2303. Prepaid Insurance	40,794	40,794		
2398. Summary of remaining write-ins for Line 23 from overflow page ...(e)	1,575,211	95,467	1,479,744	
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above)	(16,352)	136,262	(152,614)	3,300,228

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 (b)(c) Total
1. Claims unpaid (less \$ reinsurance ceded)(f)(m)	59,669,690		59,669,690	95,543,247
2. Accrued medical incentive pool and bonus payments				
3. Unpaid claims adjustment expenses				
4. Aggregate health policy reserves				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserve				
7. Aggregate health claim reserves				
8. Premiums received in advance				
9. General expenses due or accrued	721,552		721,552	918,053
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized capital gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others				
13. Remittances and items not allocated				
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)	26,431,115		26,431,115	26,431,115
15. Amounts due to parent, subsidiaries and affiliates				
16. Payable for securities				
17. Funds held under reinsurance treaties with (\$ authorized reinsurers and \$ unauthorized reinsurers)				
18. Reinsurance in unauthorized companies				
19. Net adjustments in assets and liabilities due to foreign exchange rates				
20. Liability for amounts held under uninsured accident and health plans				
21. Aggregate write-ins for other liabilities (including \$ current) ..(f)(g)	3,728,967		3,728,967	4,795,538
22. Total liabilities (Lines 1 to 21)	90,551,324		90,551,324	127,687,952
23. Common capital stock ..(h)	XXX	XXX	100,000	100,000
24. Preferred capital stock	XXX	XXX		
25. Gross paid in and contributed surplus ..(h)	XXX	XXX	6,447,499	6,447,499
26. Surplus notes ..(h)	XXX	XXX	7,100,000	7,100,000
27. Aggregate write-ins for other than special surplus funds	XXX	XXX		
28. Unassigned funds (surplus)	XXX	XXX	(89,248,779)	(91,150,256)
29. Less treasury stock, at cost:				
29.1 shares common (value included in Line 23) \$)	XXX	XXX		
29.2 shares preferred (value included in Line 24) \$)	XXX	XXX		
30. Total capital and surplus (Lines 23 to 28 minus Line 29)	XXX	XXX	(75,601,280)	(77,502,757)
31. Total liabilities, capital and surplus (Lines 22 and 30)	XXX	XXX	14,950,044	50,185,196
DETAILS OF WRITE-INS				
2101. Premium Taxes Payable.....(g)	3,081,283		3,081,283	4,059,473
2102. HRMP Reinsurance Premium Fund	309,909		309,909	255,937
2103. Payroll Taxes Payable	34,634		34,634	60,020
2198. Summary of remaining write-ins for Line 21 from overflow page	303,141		303,141	420,108
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above)	3,728,967		3,728,967	4,795,538
2701.	XXX	XXX		
2702.	XXX	XXX		
2703.	XXX	XXX		
2798. Summary of remaining write-ins for Line 27 from overflow page	XXX	XXX		
2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above)	XXX	XXX		

ASSETS	TennCare		Community Plus	ESRD	Audit Adjustments	GAAP		GAAP - ASO Total	GAAP to STAT Adjustments	Non-Admitted Assets	STAT - ASO Total	
	Post-Petition	Pre-Petition				Total	ASO Netting					
Cash and Investments	1,580,841	10,669,565	12,250,406	197,991	-	12,453,070	-	12,453,070	-	-	12,453,070	-
	2,605,670	-	2,605,670	-	-	2,605,670	-	2,605,670	-	-	2,605,670	-
	4,186,511	10,669,565	14,856,076	197,991	-	15,058,740	-	15,058,740	-	-	15,058,740	-
Receivables	-	-	175,355	-	(2,670,797)	(2,495,442)	-	(2,495,442)	-	-	(2,495,442)	-
	-	-	175,355	-	(2,670,797)	(2,495,442)	-	(2,495,442)	-	-	(2,495,442)	-
	27,916,783	-	27,916,783	-	2,670,797	30,587,579	(30,587,579)	-	-	-	-	-
Due from TennCare - ASO (Post 7/1/02) Premium Tax	1,479,744	-	1,479,744	-	-	1,479,744	-	1,479,744	-	-	1,479,744	-
	-	-	-	-	-	-	-	-	-	-	-	-
	2,589,255	-	2,589,255	-	-	2,589,255	(1,726,170)	863,085	-	-	863,085	-
TennCare A/R Other	547	(0)	547	-	-	547	-	547	-	(547)	(0)	-
	32,161,683	(0)	32,161,683	-	-	32,161,683	(32,313,749)	(152,066)	-	(547)	(152,613)	-
	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	43,918	-	43,918	-	-	43,918	-	43,918	-	-	43,918	-
	135,715	-	135,715	-	-	135,715	-	135,715	-	(135,715)	-	-
	313,062	(186,663)	126,399	(46,126)	(80,273)	(0)	(0)	-	-	-	(0)	-
Total Other Assets	492,695	(186,663)	306,032	(46,126)	(80,273)	179,633	-	179,633	-	(135,715)	43,918	-
	-	-	-	-	-	-	-	-	-	-	-	-
	732,505	-	732,505	-	-	732,505	-	732,505	-	(732,505)	-	-
Fixed Assets	(621,225)	-	(621,225)	-	-	(621,225)	-	(621,225)	-	621,225	-	-
	111,280	-	111,280	-	-	111,280	-	111,280	-	(111,280)	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS											14,950,044	-
TOTAL ASSETS											14,950,044	-
TOTAL ASSETS											14,950,044	-
Liabilities and Equity	28,801,311	-	28,801,311	-	-	28,801,311	(28,535,881)	265,430	-	-	265,430	-
	2,880,131	-	2,880,131	-	-	2,880,131	(2,853,588)	26,543	-	-	26,543	-
	933,039	-	933,039	-	-	933,039	(924,280)	8,759	-	-	8,759	-
Subtotal	32,614,481	-	32,614,481	-	-	32,614,481	(32,313,749)	300,732	-	-	300,732	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	32,614,481	-	32,614,481	-	-	32,614,481	(32,313,749)	300,732	-	-	300,732	-
	1,488,706	-	1,488,706	-	-	1,488,706	-	1,488,706	-	-	1,488,706	-
	-	-	-	-	-	-	-	-	-	-	-	-
Total Claims Payable Post Petition	34,103,187	-	34,103,187	-	-	34,103,187	(32,313,749)	1,789,438	-	-	1,789,438	-
	-	37,442,737	37,442,737	-	-	37,442,737	-	37,442,737	-	-	37,442,737	-
	-	19,562,066	19,562,066	-	-	19,562,066	-	19,562,066	-	-	19,562,066	-
Subtotal	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
Total Claims Payable	34,103,187	57,004,803	91,107,990	875,449	-	91,983,439	(32,313,749)	59,669,690	-	-	59,669,690	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
Other Liabilities	1,043,461	-	1,043,461	-	-	1,043,461	-	1,043,461	-	-	1,043,461	-
	1,479,744	1,601,539	3,081,283	-	-	3,081,283	-	3,081,283	-	-	3,081,283	-
	325,776	-	325,776	-	-	325,776	-	325,776	-	-	325,776	-
Total Other Liabilities	2,848,981	1,601,539	4,450,520	-	-	4,450,520	-	4,450,520	-	-	4,450,520	-
	-	26,431,115	26,431,115	-	-	26,431,115	-	26,431,115	-	-	26,431,115	-
	-	7,100,000	7,100,000	-	-	7,100,000	-	7,100,000	-	-	7,100,000	-
Total Liabilities	36,962,168	92,137,457	129,099,625	875,449	-	129,963,074	(32,313,749)	97,651,324	-	-	104,751,324	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
Capital Stock	-	100,000	100,000	-	-	100,000	-	100,000	-	-	100,000	-
	-	6,447,499	6,447,499	-	-	6,447,499	-	6,447,499	-	-	6,447,499	-
	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Notes	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
Total Equity	-	(81,654,554)	(81,654,554)	(41,454)	(757,730)	(82,453,738)	-	(82,453,738)	(7,100,000)	(247,542)	(89,801,280)	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY											14,950,044	-
TOTAL LIABILITIES AND EQUITY											14,950,044	-
TOTAL LIABILITIES AND EQUITY											14,950,044	-

STATEMENT OF REVENUE AND EXPENSES

	Current Year to Date		Prior Year To Date
	1 Uncovered	2 (m) Total	3 Total
1. Member Months.....	XXX	775,765	1,910,916
2. Net premium income (including non-health premium income).....	XXX	41,968	316,046,762
3. Change in unearned premium reserves and reserve for rate credits	XXX		
4. Fee-for-service (net of \$ medical expenses)	XXX		
5. Risk revenue	XXX		
6. Aggregate write-ins for other health care related revenues	XXX		337,634
7. Aggregate write-ins for other non-health revenues	XXX		
8. Total revenues (Lines 2 to 7)	XXX	41,968	316,384,395
Hospital and Medical:			
9. Hospital/medical benefits		(53,955)	141,539,992
10. Other professional services			8,470,109
11. Outside referrals			20,739,799
12. Emergency room and out-of-area			28,705,302
13. Prescription drugs			63,807,049
14. Aggregate write-ins for other hospital and medical			57,464,649
15. Incentive pool and withhold adjustments			
16. Subtotal (Lines 9 to 15)		(53,955)	320,726,900
Less:			
17. Net reinsurance recoveries			
18. Total hospital and medical (Lines 16 minus 17)		(53,955)	320,726,900
19. Non-health claims			
20. Claims adjustment expenses			
21. General administrative expenses.....		60	25,752,694
22. Increase in reserves for life and accident and health contracts including \$ increase in reserves for life only).....			
23. Total underwriting deductions (Lines 18 through 22)		(53,895)	346,479,594
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	95,863	(30,095,199)
25. Net investment income earned			510,345
26. Net realized capital gains or (losses)			
27. Net investment gains or (losses) (Lines 25 plus 26)			510,345
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]			
29. Aggregate write-ins for other income or expenses			29,874,471
30. Net income or (loss) before federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	95,863	289,617
31. Federal and foreign income taxes incurred	XXX		
32. Net income (loss) (Lines 30 minus 31)	XXX	95,863	289,617
DETAILS OF WRITE-INS			
0601. BHO Revenue.....	XXX		337,634
0602.	XXX		
0603.	XXX		
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX		
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX		337,634
0701.	XXX		
0702.	XXX		
0703.	XXX		
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX		
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above)	XXX		
1401. Hospital Outpatient.....			48,745,639
1402. Ambulance/Transportation.....			6,369,134
1403. Home health care.....			3,615,315
1498. Summary of remaining write-ins for Line 14 from overflow page			(1,265,439)
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)			57,464,649
2901. TennCare Amendment 7 Loss Recoverable.....			29,327,176
2902. Prior Period Adjustments.....			
2903. Other Income.....			547,294
2998. Summary of remaining write-ins for Line 29 from overflow page			
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)			29,874,471

REPORT 2A

Xantus Healthplan of Tennessee, Inc.

CONSOLIDATED OPERATIONS STATEMENT OF REVENUES AND EXPENSES

Statement As Of: **June 30, 2003**

		Current Year		Previous Year
		Current Period	YTD Total	Total
	MEMBER MONTHS	377,086	775,765	1,910,916
	REVENUES:			
1	TennCare Capitation (net of reinsurance ceded) (j)	72,857,360	152,018,144	316,046,762
2	Fee for Service Revenue	-	-	-
3	Adverse Selection	-	-	-
4	Total TennCare Revenue (Lines 1 & 2)	72,857,360	152,018,144	316,046,762
5	Investment	64,343	131,665	510,345
6	Other Revenue	-	-	337,634
7	TOTAL REVENUES (Lines 3 to 6)	72,921,703	152,149,809	316,894,740
	EXPENSES:			
	Medical and Hospital Services:			
8	Capitated Physician Services	572,670	1,198,716	2,972,645
9	Fee for Service Physician Services	13,395,631	29,041,766	69,987,924
10	Inpatient Hospital Services	13,126,045	28,457,303	68,579,423
11	Outpatient Services	9,329,875	20,227,195	48,745,639
12	Emergency Room Services	5,494,171	11,911,378	28,705,302
13	Mental Health Services	-	-	-
14	Dental Services	1,400,345	3,035,951	7,316,356
15	Vision Services	166,089	360,082	867,765
16	Pharmacy Services	15,640,047	31,976,246	63,807,049
17	Home Health Services	691,968	1,500,189	3,615,315
18	Chiropractic Services	-	-	-
19	Radiology Services	54,738	118,672	285,989
20	Laboratory Services	5,984	12,973	31,263
21	Durable Medical Equipment Services	1,132,918	2,456,170	5,919,139
22	Transportation Services	1,219,047	2,642,897	6,369,134
23	Outside Referrals	3,969,581	8,606,061	20,739,799
24	Medical Incentive Pool & Withhold Adjustments	-	-	-
25	Occupancy, Depreciation & Amortization	-	-	-
26	Other Medical & Hospital Services	(6,790)	(53,955)	(166,885)
27	Subtotal (Lines 8 to 26)	66,192,321	141,491,645	327,775,855
	LESS:			
28	Net Excess Loss Recoveries Incurred	-	-	-
29	Co-payments	(161,965)	(342,922)	(996,614)
30	Subrogation & Coordination of Benefits	(534,724)	(2,116,925)	(6,052,341)
31	Subtotal (Lines 28 to 30)	(696,689)	(2,459,847)	(7,048,955)
32	TOTAL MEDICAL & HOSPITAL (Lines 25 & 26 less 30)	65,495,632	139,031,798	320,726,900
	Administration:			
33	Compensation	2,643,425	5,451,878	11,357,428
34	Marketing	-	-	-
35	Interest Expense	-	-	-
36	Premium Tax Expense	1,479,744	3,187,913	6,712,141
37	Occupancy, Depreciation and Amortization	262,384	542,060	1,470,456
38	Other Administration	1,355,881	2,878,249	6,212,669
39	TOTAL ADMINISTRATION (Lines 33 to 38)	5,741,433	12,060,100	25,752,694
40	TOTAL EXPENSES (Lines 32and 39)	71,237,065	151,091,898	346,479,594
41	TennCare Amendment 7 Recoverable (j)(k)	1,656,731	962,048	(29,327,176)
41a	Extraordinary Gain-Navigant Settlement	-	-	(527,078)
41b	Miscellaneous Income	-	-	(20,216)
42	Prior Period Adjustments (m)	-	-	-
43	NET INCOME (LOSS) (Lines 6 less Lines 40, 41 and 42)	27,906	95,863	289,617

REPORT 2A

Xantus Healthplan of Tennessee, Inc.

TENNCARE CONSOLIDATED OPERATIONS STATEMENT OF REVENUES AND EXPENSES

Statement As Of: June 30, 2003

		Current Year		Previous Year
		Current Period	YTD Total	Total
	MEMBER MONTHS	377,086	775,765	1,910,916
	REVENUES:			
1	TennCare Capitation (net of reinsurance ceded) (j)	72,857,360	152,018,144	316,046,762
2	Fee for Service Revenue	-	-	-
3	Adverse Selection	-	-	-
4	Total TennCare Revenue (Lines 1 & 2)	72,857,360	152,018,144	316,046,762
5	Investment	64,343	131,665	510,345
6	Other Revenue - BHO	-	-	337,634
7	TOTAL REVENUES (Lines 3 to 6)	72,921,703	152,149,809	316,894,740
	EXPENSES:			
	Medical and Hospital Services:			
8	Capitated Physician Services	572,670	1,198,716	2,972,645
9	Fee for Service Physician Services	13,395,631	29,041,766	69,987,924
10	Inpatient Hospital Services	13,126,045	28,457,303	68,579,423
11	Outpatient Services	9,329,875	20,227,195	48,745,639
12	Emergency Room Services	5,494,171	11,911,378	28,705,302
13	Mental Health Services	-	-	-
14	Dental Services	1,400,345	3,035,951	7,316,356
15	Vision Services	166,089	360,082	867,765
16	Pharmacy Services	15,640,047	31,976,246	63,807,049
17	Home Health Services	691,968	1,500,189	3,615,315
18	Chiropractic Services	-	-	-
19	Radiology Services	54,738	118,672	285,989
20	Laboratory Services	5,984	12,973	31,263
21	Durable Medical Equipment Services	1,132,918	2,456,170	5,919,139
22	Transportation Services	1,219,047	2,642,897	6,369,134
23	Outside Referrals	3,969,581	8,606,061	20,739,799
24	Medical Incentive Pool & Withhold Adjustments	-	-	-
25	Occupancy, Depreciation & Amortization	-	-	-
26	Other Medical & Hospital Services	(6,790)	(53,186)	(166,911)
27	Subtotal (Lines 8 to 26)	66,192,321	141,492,413	327,775,829
	LESS:			
28	Net Excess Loss Recoveries Incurred	-	-	-
29	Copayments	(161,965)	(342,922)	(996,614)
30	Subrogation & Coordination of Benefits	(534,724)	(2,116,925)	(6,052,341)
31	Subtotal (Lines 28 to 30)	(696,689)	(2,459,847)	(7,048,955)
32	TOTAL MEDICAL & HOSPITAL (Lines 25 & 26 less 30)	65,495,632	139,032,566	320,726,874
	Administration:			
33	Compensation	2,643,425	5,451,878	11,357,428
34	Marketing	-	-	-
35	Interest Expense	-	-	-
36	Premium Tax Expense	1,479,744	3,187,913	6,712,141
37	Occupancy, Depreciation and Amortization	262,384	542,060	1,470,456
38	Other Administration	1,355,850	2,878,190	6,212,313
39	TOTAL ADMINISTRATION (Lines 33 to 38)	5,741,403	12,060,040	25,752,338
40	TOTAL EXPENSES (Lines 32and 39)	71,237,034	151,092,607	346,479,212
41	TennCare Amendment 7 Recoverable (j)(k)	1,656,731	962,048	(29,327,176)
41a	Extraordinary Gain-Navigant Settlement	-	-	(527,078)
41b	Miscellaneous Income	-	-	(12,480)
42	Prior Period Adjustments (m)	-	-	-
43	NET INCOME (LOSS) (Lines 6 less Lines 40, 41 and 42)	27,937	95,154	282,263

REPORT 2A

Xantus Healthplan of Tennessee, Inc.

TENNCARE POST-PETITION OPERATIONS STATEMENT OF REVENUES AND EXPENSES

Statement As Of: June 30, 2003

		Current Year		Previous Year
		Current Period	YTD Total	Total
	MEMBER MONTHS	377,086	775,765	1,910,916
	REVENUES:			
1	TennCare Capitation (net of reinsurance ceded) (j)	72,857,360	152,018,144	316,046,762
2	Fee for Service Revenue	-	-	-
3	Adverse Selection	-	-	-
4	Total TennCare Revenue (Lines 1 & 2)	72,857,360	152,018,144	316,046,762
5	Investment	43,196	89,697	394,974
6	Other Revenue - BHO	-	-	337,634
7	TOTAL REVENUES (Lines 3 to 6)	72,900,556	152,107,841	316,779,369
	EXPENSES:			
	Medical and Hospital Services:			
8	Capitated Physician Services	572,670	1,198,716	2,972,645
9	Fee for Service Physician Services	13,395,631	29,041,766	69,987,924
10	Inpatient Hospital Services	13,126,045	28,457,303	68,579,423
11	Outpatient Services	9,329,875	20,227,195	48,745,639
12	Emergency Room Services	5,494,171	11,911,378	28,705,302
13	Mental Health Services	-	-	-
14	Dental Services	1,400,345	3,035,951	7,316,356
15	Vision Services	166,089	360,082	867,765
16	Pharmacy Services	15,640,047	31,976,246	63,807,049
17	Home Health Services	691,968	1,500,189	3,615,315
18	Chiropractic Services	-	-	-
19	Radiology Services	54,738	118,672	285,989
20	Laboratory Services	5,984	12,973	31,263
21	Durable Medical Equipment Services	1,132,918	2,456,170	5,919,139
22	Transportation Services	1,219,047	2,642,897	6,369,134
23	Outside Referrals	3,969,581	8,606,061	20,739,799
24	Medical Incentive Pool & Withhold Adjustments			
25	Occupancy, Depreciation & Amortization			
26	Other Medical & Hospital Services			
27	Subtotal (Lines 8 to 26)	66,199,111	141,545,600	327,942,740
	LESS:			
28	Net Excess Loss Recoveries Incurred	-	-	-
29	Copayments	(161,965)	(342,922)	(996,614)
30	Subrogation & Coordination of Benefits	(534,724)	(2,116,925)	(6,052,341)
31	Subtotal (Lines 28 to 30)	(696,689)	(2,459,847)	(7,048,955)
32	TOTAL MEDICAL & HOSPITAL (Lines 25 & 26 less 30)	65,502,421	139,085,753	320,893,785
	Administration:			
33	Compensation	2,643,425	5,451,878	11,357,428
34	Marketing	-	-	-
35	Interest Expense	-	-	-
36	Premium Tax Expense	1,479,744	3,187,913	6,712,141
37	Occupancy, Depreciation and Amortization	262,384	542,060	1,470,456
38	Other Administration	1,355,850	2,878,190	6,212,293
39	TOTAL ADMINISTRATION (Lines 33 to 38)	5,741,403	12,060,040	25,752,318
40	TOTAL EXPENSES (Lines 32and 39)	71,243,824	151,145,793	346,646,103
41	TennCare Amendment 7 Recoverable (j)(k)	1,656,731	962,048	(29,327,176)
41a	Extraordinary Gain-Navigant Settlement	-	-	(527,078)
41b	Miscellaneous Income	-	-	(12,480)
42	Prior Period Adjustments (m)	-	-	-
43	NET INCOME (LOSS) (Lines 6 less Lines 40, 41 and 42)	-	-	-

REPORT 2A

Xantus Healthplan of Tennessee, Inc.

TENNCARE PRE-PETITION OPERATIONS STATEMENT OF REVENUES AND EXPENSES

Statement As Of: June 30, 2003

		Current Year		Previous Year
		Current Period	YTD Total	Total
	MEMBER MONTHS	-	-	-
	REVENUES:			
1	TennCare Capitation	-	-	-
2	Fee for Service Revenue	-	-	-
3	Adverse Selection	-	-	-
4	Total TennCare Revenue (Lines 1 & 2)	-	-	-
5	Investment	21,147	41,968	115,372
6	Other Revenue	-	-	-
7	TOTAL REVENUES (Lines 3 to 6)	21,147	41,968	115,372
	EXPENSES:			
	Medical and Hospital Services:			
8	Capitated Physician Services	-	-	-
9	Fee for Service Physician Services	-	-	-
10	Inpatient Hospital Services	-	-	-
11	Outpatient Services	-	-	-
12	Emergency Room Services	-	-	-
13	Mental Health Services	-	-	-
14	Dental Services	-	-	-
15	Vision Services	-	-	-
16	Pharmacy Services	-	-	-
17	Home Health Services	-	-	-
18	Chiropractic Services	-	-	-
19	Radiology Services	-	-	-
20	Laboratory Services	-	-	-
21	Durable Medical Equipment Services	-	-	-
22	Transportation Services	-	-	-
23	Outside Referrals	-	-	-
24	Medical Incentive Pool & Withhold Adjustments	-	-	-
25	Occupancy, Depreciation & Amortization	-	-	-
26	Other Medical & Hospital Services	(6,790)	(53,186)	(166,911)
27	Subtotal (Lines 8 to 26)	(6,790)	(53,186)	(166,911)
	LESS:			
28	Net Excess Loss Recoveries Incurred	-	-	-
29	Copayments	-	-	-
30	Subrogation & Coordination of Benefits	-	-	-
31	Subtotal (Lines 28 to 30)	-	-	-
32	TOTAL MEDICAL & HOSPITAL (Lines 25 & 26 less 30)	(6,790)	(53,186)	(166,911)
	Administration:			
33	Compensation	-	-	-
34	Marketing	-	-	-
35	Interest Expense	-	-	-
36	Premium Tax Expense	-	-	-
37	Occupancy, Depreciation and Amortization	-	-	-
38	Other Administration	-	-	20
39	TOTAL ADMINISTRATION (Lines 33 to 38)	-	-	20
40	TOTAL EXPENSES (Lines 32and 39)	(6,790)	(53,186)	(166,891)
41		-	-	-
41a		-	-	-
41b		-	-	-
42	Prior Period Adjustments (m)	-	-	-
43	NET INCOME (LOSS) (Lines 6 less Lines 40, 41 and 42)	27,937	95,154	282,263

REPORT 2A

Xantus Healthplan of Tennessee, Inc.

COMMERCIAL OPERATIONS STATEMENT OF REVENUES AND EXPENSES

Statement As Of: June 30, 2003

		Current Year		Previous Year
		Current Period	YTD Total	Total
	MEMBER MONTHS	-	-	-
	REVENUES:			
1	Premium Revenue	-	-	-
2	Fee for Service Revenue	-	-	-
3	Adverse Selection	-	-	-
4	Total TennCare Revenue (Lines 1 & 2)	-	-	-
5	Investment	-	-	-
6	Other Revenue	-	-	-
7	TOTAL REVENUES (Lines 3 to 6)	-	-	-
	EXPENSES:			
	Medical and Hospital Services:			
8	Capitated Physician Services	-	-	-
9	Fee for Service Physician Services	-	-	-
10	Inpatient Hospital Services	-	-	-
11	Outpatient Services	-	-	-
12	Emergency Room Services	-	-	-
13	Mental Health Services	-	-	-
14	Dental Services	-	-	-
15	Vision Services	-	-	-
16	Pharmacy Services	-	-	-
17	Home Health Services	-	-	-
18	Chiropractic Services	-	-	-
19	Radiology Services	-	-	-
20	Laboratory Services	-	-	-
21	Durable Medical Equipment Services	-	-	-
22	Transportation Services	-	-	-
23	Outside Referrals	-	-	-
24	Medical Incentive Pool & Withhold Adjustments	-	-	-
25	Occupancy, Depreciation & Amortization	-	-	-
26	Other Medical & Hospital Services	-	(768)	26
27	Subtotal (Lines 8 to 26)	-	(768)	26
	LESS:			
28	Net Excess Loss Recoveries Incurred	-	-	-
29	Copayments	-	-	-
30	Subrogation & Coordination of Benefits	-	-	-
31	Subtotal (Lines 28 to 30)	-	-	-
32	TOTAL MEDICAL & HOSPITAL (Lines 25 & 26 less 30)	-	(768)	26
	Administration:			
33	Compensation	-	-	-
34	Marketing	-	-	-
35	Interest Expense	-	-	-
36	Premium Tax Expense	-	-	-
37	Occupancy, Depreciation and Amortization	-	-	-
38	Other Administration	31	60	356
39	TOTAL ADMINISTRATION (Lines 33 to 38)	31	60	356
40	TOTAL EXPENSES (Lines 32and 39)	31	(709)	382
41	TennCare Amendment 7 Recoverable (j)(k)	-	-	-
41a		-	-	-
41b	Miscellaneous Income	-	-	-
42	Prior Period Adjustments (m)	-	-	-
43	NET INCOME (LOSS) (Lines 6 less Lines 40, 41 and 42)	(31)	709	(382)

REPORT 2A

Xantus Healthplan of Tennessee, Inc.

ESRD OPERATIONS STATEMENT OF REVENUES AND EXPENSES

Statement As Of: June 30, 2003

		Current Year		Previous Year
		Current Period	YTD Total	
	MEMBER MONTHS	-	-	-
	REVENUES:			
1	Premium Revenue	-	-	-
2	Fee for Service Revenue	-	-	-
3	Adverse Selection	-	-	-
4	Total TennCare Revenue (Lines 1 & 2)	-	-	-
5	Investment	-	-	-
6	Other Revenue	-	-	-
7	TOTAL REVENUES (Lines 3 to 6)	-	-	-
	EXPENSES:			
	Medical and Hospital Services:			
8	Capitated Physician Services	-	-	-
9	Fee for Service Physician Services	-	-	-
10	Inpatient Hospital Services	-	-	-
11	Outpatient Services	-	-	-
12	Emergency Room Services	-	-	-
13	Mental Health Services	-	-	-
14	Dental Services	-	-	-
15	Vision Services	-	-	-
16	Pharmacy Services	-	-	-
17	Home Health Services	-	-	-
18	Chiropractic Services	-	-	-
19	Radiology Services	-	-	-
20	Laboratory Services	-	-	-
21	Durable Medical Equipment Services	-	-	-
22	Transportation Services	-	-	-
23	Outside Referrals	-	-	-
24	Medical Incentive Pool & Withhold Adjustments	-	-	-
25	Occupancy, Depreciation & Amortization	-	-	-
26	Other Medical & Hospital Services	-	-	-
27	Subtotal (Lines 8 to 26)	-	-	-
	LESS:			
28	Net Excess Loss Recoveries Incurred	-	-	-
29	Copayments	-	-	-
30	Subrogation & Coordination of Benefits	-	-	-
31	Subtotal (Lines 28 to 30)	-	-	-
32	TOTAL MEDICAL & HOSPITAL (Lines 25 & 26 less 30)	-	-	-
	Administration:			
33	Compensation	-	-	-
34	Marketing	-	-	-
35	Interest Expense	-	-	-
36	Premium Tax Expense	-	-	-
37	Occupancy, Depreciation and Amortization	-	-	-
38	Other Administration	-	-	-
39	TOTAL ADMINISTRATION (Lines 33 to 38)	-	-	-
40	TOTAL EXPENSES (Lines 32and 39)	-	-	-
41		-	-	-
41a		-	-	-
41b	Miscellaneous Income	-	-	(7,736)
42	Prior Period Adjustments (m)	-	-	-
43	NET INCOME (LOSS) (Lines 6 less Lines 40, 41 and 42)	-	-	7,736

	YEAR TO DATE		1st Quarter 2003	April 2003	May 2003	June 2003	2nd Quarter 2003	YEAR TO DATE		Comm. Plus, ESRD, Pre-Petition	ASO Income Statement 01/01/03-06/30/03
	2002	2003						2003	2003		
1 Member Months	1,910,916		395,139	127,559	126,478	126,589	380,626	775,765			775,765
2 Medical Loss Ratio/MFT (ASO Post 7/1/02)			52,435,643	17,098,767	16,905,621	16,456,288	50,460,676	102,896,318			102,896,318
3											
4 Premium: ASO Revenue	160,237,615	49.75%	75,291,501	22,868,261	21,223,606	25,190,298	69,282,165	144,573,666			-
4.1 Premium: ASO Admin. Capitation Revenue	11,116,430	3.45%	3,940,159	1,231,099	1,231,447	1,180,559	3,643,105	7,583,264			-
4.2 Premium: Pre-ASO Revenue	150,168,082	46.62%	-	0.00%	-	0.00%	-	-		41,968	-
5 Premium: Reinsurance Ceded	(267,485)	-0.08%	(70,876)	(23,129)	(22,902)	(21,880)	(67,910)	(138,786)			41,968
6 Premium: Retroactive Accrual	-	0.00%	0.00%	0.00%	-	0.00%	-	-			-
7 Investment Income	510,345	0.16%	67,322	21,176	22,221	20,946	64,343	131,665			-
8 Other: BHO	337,634	0.10%	-	-	-	0.00%	-	-			-
9 Total Revenue	322,102,621	100.00%	79,228,106	24,097,407	22,454,372	26,369,923	72,921,703	152,149,809		41,968	41,968
10 Claims Fee for Service	262,887,714	81.62%	59,302,227	14,006,600	22,167,555	19,948,481	56,122,636	115,424,863		(53,955)	(53,955)
11 Pharmacy	63,807,049	19.81%	16,336,199	5,193,840	5,396,127	5,050,080	15,640,047	31,976,246			-
12 Capitation	2,972,645	0.92%	626,046	192,814	192,760	187,096	572,670	1,198,716			-
13 Reserve change (Current)	(3,732,627)	-1.16%	(2,728,305)	2,995,579	(7,023,797)	(2,811,504)	(6,839,722)	(9,568,027)			-
14 Reserve change 07/01/00-06/30/01	-	0.00%	-	0.00%	-	0.00%	-	-			-
15 TennCare II 85/15 07/01/00-06/30/01	-	0.00%	-	-	-	-	-	-			-
16 Total Medical Expense	325,934,781	101.19%	73,536,166	22,388,832	20,732,646	22,374,154	65,495,632	139,031,798		(53,955)	(53,955)
17 Gross Margin	(3,832,160)	-1.19%	5,691,940	1,708,575	1,721,726	3,995,770	7,426,071	13,118,011		95,922	95,922
18 Salaries & Wages	8,494,775	2.64%	2,138,027	755,903	694,364	688,815	2,139,082	4,277,109			-
19 Payroll Taxes	655,874	0.20%	208,076	58,547	55,265	48,312	162,124	370,200			-
20 Employee Benefits	1,446,342	0.45%	388,910	78,590	83,916	102,603	265,109	654,019			-
21 Contract Labor	860,683	0.27%	88,826	23,429	26,969	23,429	84,434	173,260			-
22 Subtotal Compensation	11,457,674	3.56%	2,823,839	927,075	860,514	863,159	2,650,748	5,474,587		-	-
23 Consulting	659,191	0.20%	101,339	27,659	38,549	28,760	94,968	196,307			-
24 Legal	491,134	0.15%	173,632	38,537	65,561	83,614	187,712	361,344			-
25 Contract Services	2,467,657	0.77%	673,692	212,368	204,037	211,280	627,685	1,301,377			-
26 Accrued Professional Fees	170,000	0.05%	30,000	10,000	10,400	10,000	30,400	60,400			-
27 Subtotal Professional	3,787,983	1.18%	978,663	288,564	318,546	333,654	940,764	1,919,428		-	-
28 Occupancy	1,110,826	0.34%	234,759	76,560	76,436	74,048	227,043	461,802			-
29 Office Expense	928,864	0.29%	167,505	45,828	38,434	28,535	112,797	280,302			-
30 Depreciation & Amortization	250,587	0.08%	50,295	17,324	6,555	16,987	40,865	91,160			-
31 Communications	398,890	0.12%	90,029	33,835	30,302	33,980	98,117	188,146			-
32 Printing and Postage	1,185,295	0.37%	212,138	94,828	49,936	28,799	173,563	385,701			-
33 Travel & Mileage	67,591	0.02%	12,488	3,014	5,390	1,262	9,666	22,153			-
34 Other	140,023	0.04%	40,781	2,324	2,466	3,300	8,090	48,871		60	60
35 Subtotal Other	4,082,076	1.27%	807,994	273,713	209,519	186,911	670,142	1,478,137		60	60
36 Total Administrative	19,327,733	6.00%	4,610,497	1,489,352	1,388,578	1,383,724	4,261,655	8,872,152		60	60
37 Premium Taxes	6,712,141	2.08%	1,708,170	477,823	486,725	515,196	1,479,744	3,187,913		-	-
38 Total Expense	351,974,654	109.27%	79,854,833	24,356,007	22,607,949	24,273,074	71,237,030	151,091,863		(53,895)	(53,895)
39 Income From Operations	(29,872,033)	-9.27%	(626,727)	(258,600)	(153,577)	-0.68%	1,684,673	2,31%		95,863	95,863
40 Other (Income) / Expense	(547,212)	-0.17%	-	-	-	0.00%	35	0.00%		-	-
42 Amendment / Loss Recovery	29,614,438	9.19%	694,683	267,157	165,005	(2,088,894)	(1,656,731)	(962,048)		-	-
43 Net Income	289,617	0.09%	67,956	8,557	11,429	7,920	27,906	95,863		95,863	95,863
44											

CAPITAL AND SURPLUS ACCOUNT

	1 Current Year to Date	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT:		
33. Capital and surplus prior reporting period	(77,502,757)	(77,029,512)
GAINS AND LOSSES TO CAPITAL & SURPLUS:		
34. Net income or (loss) from Line 32	95,863	289,617
35. Change in valuation basis of aggregate policy and claim reserves		
36. Net unrealized capital gains and losses		
37. Change in net unrealized foreign exchange capital gain or (loss)		
38. Change in net deferred income tax		
39. Change in nonadmitted assets	1,805,614	(762,862)
40. Change in unauthorized reinsurance		
41. Change in treasury stock		
42. Change in surplus notes		
43. Cumulative effect of changes in accounting principles		
44. Capital Changes:		
44.1 Paid in		
44.2 Transferred from surplus (Stock Dividend)		
44.3 Transferred to surplus		
45. Surplus adjustments:		
45.1 Paid in		
45.2 Transferred to capital (Stock Dividend)		
45.3 Transferred from capital		
46. Dividends to stockholders		
47. Aggregate write-ins for gains or (losses) in surplus		
48. Net change in capital & surplus (Lines 34 to 47)	1,901,477	(473,245)
49. Capital and surplus end of reporting period (Line 33 plus 48)	(75,601,280)	(77,502,757)
DETAILS OF WRITE-INS		
4701.		
4702.		
4703.		
4798. Summary of remaining write-ins for Line 47 from overflow page		
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above)		

CASH FLOW

	1 (m) Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance.....		335,453,871
2. Net investment income	525	510,345
3. Miscellaneous income		(5,957,093)
4. Total (Lines 1 to 3)	525	330,007,124
5. Benefits and loss related payments	2,792,666	348,624,102
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....		
7. Commissions, expenses paid and aggregate write-ins for deductions		
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) \$ net tax on capital gains (losses)		
10. Total (Lines 5 through 9)	2,792,666	348,624,102
11. Net cash from operations (Line 4 minus Line 10)	(2,792,141)	(18,616,978)
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds		2,100,000
12.2 Stocks		
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash and short-term investments	420	(2,065)
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Lines 12.1 to 12.7)	420	2,097,935
13. Cost of investments acquired (long-term only):		
13.1 Bonds		2,400,000
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications		
13.7 Total investments acquired (Lines 13.1 to 13.6)		2,400,000
14. Net increase (or decrease) in policy loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	420	(302,065)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes		
16.2 Capital and paid in surplus, less treasury stock.....		
16.3 Borrowed funds received.....		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		
16.6 Other cash provided (applied).....		
17. Net cash from financing and miscellaneous sources (Line 16.1 to Line 16.4 minus Line 16.5 plus Line 16.6)		
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS		
18. Net change in cash and short-term investments (Line 11 plus Line 15 plus Line 17)	(2,791,721)	(18,919,043)
19. Cash and short-term investments:		
19.1 Beginning of period	15,244,791	34,163,834
19.2 End of period (Line 18 plus Line 19.1).....	12,453,070	15,244,791

STATEMENT AS OF JUNE 30, 2003 OF THE XANTUS Healthplan of Tennessee, Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13
		2	3										
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at end of:													
1. Prior Year	1,910,916								1,910,916				
2. First Quarter	398,679								398,679				
3. Second Quarter	377,086								377,086				
4. Third Quarter													
5. Current Year													
6. Current Year Member Months													
Total Member Ambulatory Encounters for Period:													
7. Physician													
8. Non-Physician													
9. Total													
10. Hospital Patient Days Incurred													
11. Number of Inpatient Admissions													
12. Health Premiums Collected													
13. Life Premiums Direct													
14. Property/Casualty Premiums Written													
15. Health Premiums Earned													
16. Property/Casualty Premiums Earned													
17. Amount Paid for Provision of Health Care Services													
18. Amount Incurred for Provision of Health Care Services	(53,955)												(53,955)

UNDERWRITING AND INVESTMENT EXHIBIT
ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability (m)		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital & medical)						
2. Medicare Supplement						
3. Dental Only						
4. Vision Only						
5. Federal Employees Health Benefits Plan Premiums						
6. Title XVIII - Medicare						
7. Title XIX - Medicaid	1,903,642		57,305,535	1,488,706	59,209,177	94,667,031
8. Other Health			875,449		875,449	876,218
9. Health Subtotal (Lines 1 to 8)	1,903,642		58,180,984	1,488,706	60,084,626	95,543,249
10. Other non-health						
11. Medical incentive pools, accruals and disbursements						
12. Totals	1,903,642		58,180,984	1,488,706	60,084,626	95,543,249

NOTES TO FINANCIAL STATEMENTS

- a. \$0 health care delivery assets included in Line 4.1, Column 3.
- b. The values for December 31, 1998 were derived from the March 31, 1999 filing by XANTUS Corporation ("XC"). These December 31, 1998 and March 31, 1999 balances are incorporated into the balances presented at December 31, 2002 and June 30, 2003. To the best of the knowledge of the Rehabilitators, these amounts rolled forward from December 31, 1998 are not audited or otherwise evaluated to determine their accuracy. As such, the Rehabilitators do not assume responsibility for, or attest to, the accuracy or validity of these amounts.
- c. The values for the quarter ended March 31, 1999 were derived from data provided by XC and subsequent modifications based on facts determined by the Rehabilitators after March 31, 1999, so as to most accurately reflect adjustments known to have occurred in the quarter ended March 31, 1999. These March 31, 1999 balances are incorporated into the balances presented at December 31, 2002 and June 30, 2003. To the best of the knowledge of the Rehabilitators, the data provided by XC was not audited or otherwise evaluated to determine its accuracy. As such, the Rehabilitators do not assume responsibility for, or attest to, the accuracy or validity of these amounts.
- d. Current Assets at June 30, 2003 include inter-company receivables in the amount of \$15,034,436 and an allowance for doubtful accounts of \$15,034,436. Based on data provided by XC, the inter-company receivables, in the amount of \$15,034,436, appear to represent approximately: 1) \$9,000,000 for the retirement of XC debt; 2) \$3,549,231 in overpayment of management fees to XC; 3) \$445,425 for XC payroll costs prior to April 1, 1999; 4) \$179,479 due from Health Net for claim payments for services provided prior to 1997 used by XC as a reduction of interest payments to Health Net; 5) \$1,827,281 Federal Income Tax; and 6) \$33,020 Franchise & Excise Tax.
- e. Current Assets at June 30, 2003 include a receivable from providers in the amount of \$1,745,790 and an allowance for doubtful accounts of \$1,745,790. This amount represents total advance payments made during April and May 1999, in the amount of \$26,063,745, less recovery through June 30, 2003 in the amount of \$24,317,955.
- f. Claims Payable in the amount of \$59,669,690 represents both Pre-Petition and Post-Petition claims liability. TennCare Pre-Petition claims liability, in the amount of \$57,004,803, represents the sum total of all medical claim obligations owed to providers for dates of service prior to April 1, 1999. Of this \$57,004,803, the State of Tennessee has acquired approximately \$19,562,066 as of June 30, 2003. TennCare Post-Petition claims liability, in the amount of \$1,789,438, represents the estimated outstanding claims liability of medical claims obligations owed to providers for dates of service after March 31, 1999 through June 30, 2003. The remaining \$875,449 represents the estimated medical claims obligations owed to providers for the ESRD Demonstration project and the Community Plus commercial plan. See footnote (n) for additional details.
- g. Pre-Petition Premium Tax obligations, in the amount of \$1,601,539, remain due for the quarter ended March 31, 1999 and for the year ended December 31, 1998. The remaining amount of \$1,479,744 represents tax liability incurred after March 31, 1999 that has been reported and paid timely.
- h. The Rehabilitators do not assume responsibility for, or attest to, the accuracy or validity of these claims against the assets of XHT. These balances have been brought forward from prior Financial Statements prepared by XC and are not audited or otherwise evaluated to determine their accuracy for the time periods represented by this filing. As such, the Rehabilitators do not assume responsibility for, or attest to, the accuracy or validity of the amounts reported by XC.
- i. Premium revenue is based on the contract negotiated between TennCare and XHT and must be adjusted to reflect actual cost upon completion of the required reconciliation process.
- j. Based on the agreement between CMS, XHT, and TennCare, financial audits will be performed quarterly. The purpose of the audits is to review XHT TennCare expenditures. CMS has agreed to reimburse TennCare for XHT related expenditures in accordance with Medicare cost sharing standards during Rehabilitation or until such time as XHT returns to an at risk status.
- k. Consistent with the Deloitte and Touche financial audit performed for the period ended December 31, 2000, TennCare pre-petition claims liability in the amount of \$57,004,803 was increased at June 30, 2001 by \$1,093,240 from the previously filed liability of \$55,909,203. The adjustment is required in order to properly reflect the TennCare pre-petition debt per the claims distribution analysis finalized during the 2nd quarter of 2001.
- l. Consistent with the Deloitte and Touche financial audit performed for the period ended December 31, 2000, prior period adjustments/allowances in the amount of \$16,830,898 were recorded at June 30, 2001: 1) to reduce prior year retained earnings by \$14,678,589 for pre-petition receivables (\$14,498,641 Due from XC; \$49,923 Due from Providers; \$130,025 Due from Premier); and 2) to reduce current year retained earnings by \$2,152,309 for post-petition receivables (\$535,795 TennCare Due from XC; \$1,336,206 Due from Providers; \$40,680 Due from Premier; \$157,029 ESRD Receivables; \$82,600 Premium Tax Payable).
- m. Statutory Financial Presentation of Administrative Services Only ("ASO"): In an effort to stabilize the TennCare program, on July 1, 2002, TennCare amended the revised TennCare Contractor Risk Agreement and issued an amended Contractor Risk Agreement with an expiration date of December 1, 2003. This amended agreement puts XHT into an ASO funding arrangement and eliminates the risk of loss due to excess benefits costs to XHT as all benefits costs are reimbursed in full. Under this ASO funding arrangement, TennCare provides XHT with a monthly, prepaid administrative capitation payment based on enrollment to cover administrative costs incurred by XHT. In addition, TennCare provides funding to fully cover benefit payments, which are paid by XHT only after XHT has received funds from the State. XHT financial statements included in this statement have been prepared in conformity with NAIC statutory accounting principles. Accordingly, since XHT is now under an ASO funding arrangement, administrative and benefit costs incurred are netted against the related reimbursements received from the State. Benefits incurred but not paid as of the end of the reporting period are netted against accrued ASO funding receivable from TennCare.

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted.)

PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1

Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements?

Yes ☒ No ☐
- 1.2

If yes, explain:
ASO presentation for July 1, 2002 through Current reporting periods
- 2.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes ☐ No ☒
- 2.2

If yes, has the report been filed with the domiciliary state?

Yes ☐ No ☐
- (1)

3.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐ No ☒
- 3.2

If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.
4.

Have there been any substantial changes in the organizational chart since the prior quarter end?
If yes, attach an explanation.

Yes ☐ No ☒
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒
- 5.2

If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

6.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?
If yes, attach an explanation.

Yes ☐ No ☒ NA ☐
- (1)

7.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

03/31/1998
- (1)

7.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

06/30/1996
- (1)

7.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

04/30/1997
- (1)

7.4

By what department or departments?
Department of Commerce & Insurance
- 8.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.)

Yes ☐ No ☒
- 8.2

If yes, give full information:
- 9.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes ☐ No ☒
- 9.2

If response to 9.1 is yes, please identify the name of the bank holding company.
- 9.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes ☐ No ☒
- 9.4

If response to 9.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted.)

INVESTMENT

(2) 10.1 Has there been any change in the reporting entity's own preferred or common stock? Yes [] No [X]

10.2 If yes, explain:

.....

(2) 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]

11.2 If yes, give full and complete information relating thereto:

.....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA:\$

13. Amount of real estate and mortgages held in short-term investments:\$

14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [] No [X]

14.2 If yes, please complete the following:

	1	2
	Prior Year-End	Current Quarter
	Statement Value	Statement Value
14.21 Bonds	\$	\$
14.22 Preferred Stock	\$	\$
14.23 Common Stock	\$	\$
14.24 Short-term Investments	\$	\$
14.25 Mortgages, Loans or Real Estate	\$	\$
14.26 All Other	\$	\$
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$	\$
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above	\$	\$
14.29 Receivable from Parent not included in Lines 14.21 to 14.26 above	\$	\$

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [] No [X]

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No []

If no, attach a description with this statement.

16. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV.H - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [] No [X]

16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1	2
Name of Custodian(s)	Custodian Address

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1	2	3
Name(s)	Location(s)	Complete Explanation(s)

16.3 Have there been any changes, including name changes in the custodian(s) identified in 16.1 during the current quarter? Yes [] No [X]

16.4 If yes, give full and complete information relating thereto:

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason

16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1	2	3
Central Registration Depository	Name(s)	Address

(1) The Receivers do not assume responsibility for, nor attest to, the accuracy or validity of any information related to XANTUS Healthplan of Tennessee, Inc. ("XHT") prior to April 1, 1999. To the best of the knowledge of the Receivers, any amounts shown prior to April 1, 1999 have not been audited nor evaluated for their accuracy by a licensed certified public accountant using generally accepted auditing standards

(2) The Receivers do not assume responsibility for, or attest to, the accuracy or validity of any claims against the assets of XHT. To the knowledge of the Receivers, there have been no material changes in the investments reported. These balances have been brought forward from prior financial statements prepared by XANTUS Corporation and are not audited or otherwise evaluated to determine their accuracy for the time periods represented by this filing. As such, the Receivers do not assume responsibility for, or attest to, the accuracy or validity of the amounts reported by XANTUS Corporation.

SCHEDULE A - VERIFICATION

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	NONE	
2. Increase (decrease) by adjustment		
3. Cost of acquired		
4. Cost of additions to and permanent improvements		
5. Total profit (loss) on sales		
6. Increase (decrease) by foreign exchange adjustment		
7. Amount received on sales		
8. Book/adjusted carrying value at end of current period		
9. Total valuation allowance		
10. Subtotal (Lines 8 plus 9)		
11. Total nonadmitted amounts		
12. Statement value, current period (Page 2, real estate lines, current period)		

SCHEDULE B – VERIFICATION

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	NONE	
2. Amount loaned during period:		
2.1. Actual cost at time of acquisitions		
2.2. Additional investment made after acquisitions		
3. Accrual of discount and mortgage interest points and commitment fees		
4. Increase (decrease) by adjustment		
5. Total profit (loss) on sale		
6. Amounts paid on account or in full during the period		
7. Amortization of premium		
8. Increase (decrease) by foreign exchange adjustment		
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period		
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)		
12. Total nonadmitted amounts		
13. Statement value of mortgages owned at end of current period		

SCHEDULE BA – VERIFICATION

Other Invested Assets Included in Schedule BA

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	NONE	
2. Cost of acquisitions during period:		
2.1. Actual cost at time of acquisitions		
2.2. Additional investment made after acquisitions		
3. Accrual of discount		
4. Increase (decrease) by adjustment		
5. Total profit (loss) on sale		
6. Amounts paid on account or in full during the period		
7. Amortization of premium		
8. Increase (decrease) by foreign exchange adjustment		
9. Book/adjusted carrying value of long-term invested assets at end of current period		
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)		
12. Total nonadmitted amounts		
13. Statement value of long-term invested assets at end of current period		

SCHEDULE D - VERIFICATION

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	2,600,000	2,300,000
2. Cost of bonds and stocks acquired		2,400,000
3. Accrual of discount		
4. Increase (decrease) by adjustment		
5. Increase (decrease) by foreign exchange adjustment		
6. Total profit (loss) on disposal		
7. Consideration for bonds and stocks disposed of		2,100,000
8. Amortization of premium		
9. Book/adjusted carrying value, current period	2,600,000	2,600,000
10. Total valuation allowance		
11. Subtotal (Lines 9 plus 10)	2,600,000	2,600,000
12. Total nonadmitted amounts		
13. Statement value (Lines 11 minus 12)	2,600,000	2,600,000

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1	2,605,670				2,606,142	2,605,670		
2. Class 2								
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. Total Bonds	2,605,670				2,606,142	2,605,670		
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds and Preferred Stock	2,605,670				2,606,142	2,605,670		

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter					
	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Amount of Interest Received Current Quarter	Paid for Accrued Interest
8099999 Totals	63,028	XXX			

SCHEDULE DA - PART 2- Verification

Short-Term Investments Owned		
	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	62,608	15,674,252
2. Cost of short-term investments acquired		
3. Increase (decrease) by adjustment	420	(15,611,643)
4. Increase (decrease) by foreign exchange adjustment		
5. Total profit (loss) on disposal of short-term investments		
6. Consideration received on disposal of short-term investments		
7. Book/adjusted carrying value, current period	63,028	62,608
8. Total valuation allowance		
9. Subtotal (Lines 7 plus 8)	63,028	62,608
10. Total nonadmitted amounts		
11. Statement value (Lines 9 minus 10)	63,028	62,608
12. Income collected during period		
13. Income earned during period		

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

Schedule S

NONE

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

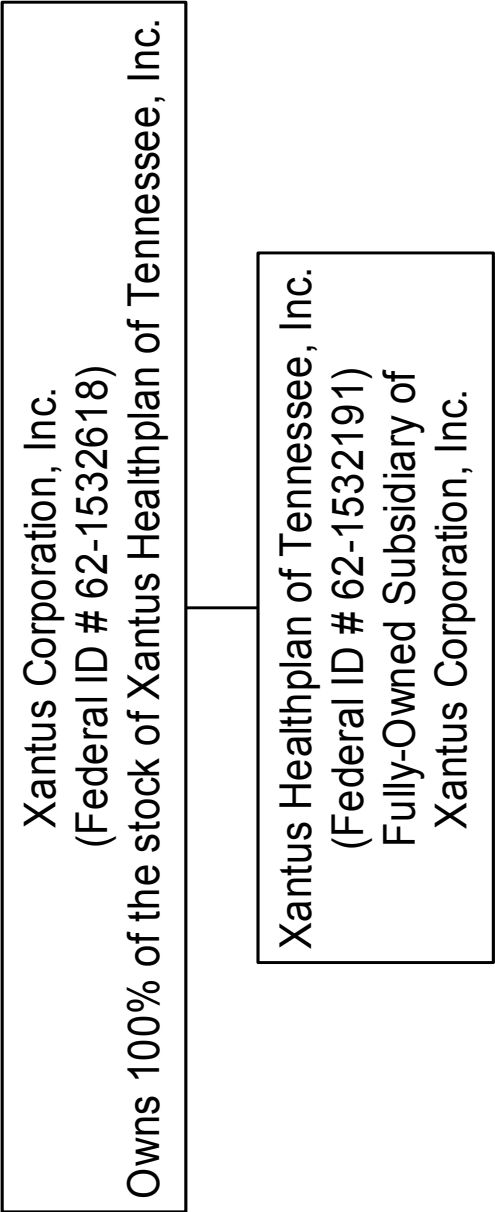
	1	2	Direct Business Only Year-to-Date					
			3	4	5	6	7	8
States, Etc.	Guaranty Fund (Yes or No)	Is Insurer Licensed? (Yes or No)	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefit Program Premiums	Life and Annuity Premiums and Deposit-Type Contract Funds	Property/Casualty Premiums
1. Alabama	AL							
2. Alaska	AK							
3. Arizona	AZ							
4. Arkansas	AR							
5. California	CA							
6. Colorado	CO							
7. Connecticut	CT							
8. Delaware	DE							
9. District of Columbia	DC							
10. Florida	FL							
11. Georgia	GA							
12. Hawaii	HI							
13. Idaho	ID							
14. Illinois	IL							
15. Indiana	IN							
16. Iowa	IA							
17. Kansas	KS							
18. Kentucky	KY							
19. Louisiana	LA							
20. Maine	ME							
21. Maryland	MD							
22. Massachusetts	MA							
23. Michigan	MI							
24. Minnesota	MN							
25. Mississippi	MS							
26. Missouri	MO							
27. Montana	MT							
28. Nebraska	NE							
29. Nevada	NV							
30. New Hampshire	NH							
31. New Jersey	NJ							
32. New Mexico	NM							
33. New York	NY							
34. North Carolina	NC							
35. North Dakota	ND							
36. Ohio	OH							
37. Oklahoma	OK							
38. Oregon	OR							
39. Pennsylvania	PA							
40. Rhode Island	RI							
41. South Carolina	SC							
42. South Dakota	SD							
43. Tennessee	TN	Yes						
44. Texas	TX							
45. Utah	UT							
46. Vermont	VT							
47. Virginia	VA							
48. Washington	WA							
49. West Virginia	WV							
50. Wisconsin	WI							
51. Wyoming	WY							
52. American Samoa	AS							
53. Guam	GU							
54. Puerto Rico	PR							
55. U.S. Virgin Islands	VI							
56. Canada	CN							
57. Aggregate Other Alien	OT	XXX	XXX					
58. Total (Direct Business)	XXX	(a) 1						
DETAILS OF WRITE-INS								
5701.								
5702.								
5703.								
5798. Summary of remaining write-ins for Line 57 from overflow page								
5799. Totals (Lines 5701 thru 5703 plus 5798) (Line 57 above)								

(a) Insert the number of yes responses except for Canada and Other Alien.

STATEMENT AS OF JUNE 30, 2003 OF THE XANTUS Healthplan of Tennessee, Inc.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



Note: On March 31, 1999 a consent order appointing the Insurance Commissioner as Receiver for purposes of Rehabilitation was entered against Xantus Healthplan of Tennessee, Inc.

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing on "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory question.

RESPONSE

1. Will the SVO Compliance Certification be filed with this statement?

.....No.....

Explanation:

Bar Code:

1.  9 5 4 6 5 2 0 0 3 4 7 0 0 0 0 0 2

OVERFLOW PAGE FOR WRITE-INS

MQ002 Additional Aggregate Lines for Page 02 Line 23.
*ASSETS

2304. Prepaid Service Contracts.....	84,252	84,252		
2305. ASO Premium Tax.....	1,479,744		1,479,744	
2306. Vendor Deposits.....	11,216	11,216		
2397. Summary of remaining write-ins for Line 23 from Page 02	1,575,211	95,467	1,479,744	

MQ003 Additional Aggregate Lines for Page 03 Line 21.
*LIAB

2104. Payroll Other.....	1,757		1,757	
2105. Payroll 401k Payable.....				
2106. Payroll Insurance Payable.....	6,603		6,603	5,429
2107. Salaries and Wages Payable.....	113,605		113,605	182,332
2108. PTO Payable.....	169,176		169,176	232,347
2109. Personalty Taxes Payable.....	12,000		12,000	
2197. Summary of remaining write-ins for Line 21 from Page 03	303,141		303,141	420,108

MQ004 Additional Aggregate Lines for Page 04 Line 14.
*REVEX1

1404. Durable Medical Equipment.....				5,919,139
1405. Lab.....				31,263
1406. Member Copays.....				(996,614)
1407. Claims Other.....				(166,885)
1408. COB and Subrogation.....				(6,052,341)
1497. Summary of remaining write-ins for Line 14 from Page 04				(1,265,439)

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 1

NONE

Schedule B - Part 2

NONE

Schedule BA - Part 1

NONE

Schedule BA - Part 2

NONE

Schedule D - Part 3

NONE

Schedule D - Part 4

NONE

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

Illinois Only Ex of Enrollment and Util
NONE

Illinois Exhibit 8
NONE

Illinois Investment Supplement
NONE

Illinois Exhibit 3
NONE

Illinois Exhibit 4
NONE

Illinois Exhibit 6
NONE

Illinois Schedule E - Part 2
NONE



NAIC Code: 95465

Company: XANTUS Healthplan of Tennessee, Inc.

SVO Compliance Certification

The undersigned is an officer of the insurer responsible for reporting investments to the SVO and/or with performing all filings with appropriate state regulatory officials and the NAIC and is, therefore, required to be familiar with the requirements of such filings. The undersigned officer certifies that to the best of my knowledge, information, and belief, all prices or NAIC Designations for the securities reported in this statement have been obtained directly from the SVO except as specifically identified below. The officer further certifies that to the best of my knowledge, information, and belief, since the last filing of a quarterly or annual statement:

1. All securities previously valued by the insurer and identified by a Z suffix have now been submitted to the SVO for a valuation or disposed of by sale or otherwise with the result that all prices and NAIC Designations reported in this statement have been provided by the SVO, except for provisionally exempt and new purchases identified in Schedule D and DA with a Z suffix or items submitted but not yet processed by the SVO.
2. Any newly purchased securities now identified with a Z suffix shall be submitted to the SVO within 120 days of purchase.
3. All necessary information on securities which have been previously designated NR (not rated due to lack of current information) by the SVO have either been submitted to the SVO by the insurer for a valuation or disposed of by the insurer.
4. All material issuer events (as defined below) have been reported to the SVO.

A material issuer event is a generic or transaction specific credit event of which the insurer is currently aware, which by its nature would signify to a reasonably prudent insurer that a material change in the credit quality or price of the investment or security has occurred.

As an illustration, and not by way of limitation, the following shall be deemed to constitute material issuer events:

- a. Recapitalizations or capital restructuring whether within or without Chapter 11 of the US Bankruptcy Code.
- b. Nonpayment, deferral, or payment in kind through waiver of any principal or contractual interest payment.
- c. Any change in the maturity of a security.
- d. Changes in the lender's collateral position, including releases of collateral, or the taking of a collateral position whether by operation of negative pledge covenant or otherwise.
- e. Events of a like character or of a like effect, which would be considered material to an investment professional.
- f. Exceptions

Signature of Investment Officer

NONE

Name of Investment Officer

Title of Signatory

Date

Attach certificate to each quarterly statement.